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Atari Online News, Etc.  
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~ Google Turns The Big 15! ~ Tesco's "Hudl" Tablet! ~ New Surface Tablet!  
~ 15% US Adults Not on Web ~ The Internet in 2050? ~ Pay-per-view Web?

-\* Too Late for China's Internet \*-  
-\* Equity Holders May Keep Atari Stake \*-  
-\* Gates Says 'Control-Alt-Delete' Was Mistake \*-

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->From the Editor's Keyboard "Saying it like it is!"  
"~~~~~"

First off, I must stop to apologize for the lack of an issue last week. The fact was, our internet service was off and on for all of last week, and mostly off! The majority of our material emanates from either the internet, or via contributions via e-mail. Lack of access equals lack of material, equals no issue.

It was a helluva week; and September hasn't been a very good month, either. With everything else going on, I was also under the weather for the past 4-5 weeks - probably a culmination of effects due to various stressful events over the past couple of years. And, I'm sure that getting up there in age (I turned 62 last week!) isn't helping, either.

Anyway, after numerous doctor visits and tests performed (and more on the way), I've learned that I don't have cancer, but I do have a large ulcer. And there have been a few other medical issues discovered that are like contributing to my maladies. So, if I seem a bit "off" for awhile, I have a few good excuses!

Hopefully, my internet access woes are resolved for the present time (he stated, while knocking on some proverbial wood!). I managed to spend some time online this week and put together a good assortment of articles for you this week - so, let's get right to it, shall we!

Until next time...

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#### Equity Holders May Keep Stake in Atari

Atari Inc. has filed a plan that aims to reorganize around the company's remaining assets after it did not receive acceptable bids for its brand name and classic games earlier this year.

Judge James M. Peck of the U.S. Bankruptcy Court for the Southern District of New York in Manhattan had yet to set a hearing to consider the plan as of Tuesday, Sept 24.

In its Sept. 20 plan, Atari proposes continuing to operate its main business after failing to receive qualified offers for the assets by a July 10 deadline.

The debtor had set a \$15 million minimum sale offer for its main business, comprised of the Atari brand name, Atari Classics and Atari Casino, in May 22 bidding procedures. Games in the lot included classics such as "Asteroids" and "Millipede."

Under the plan, the New York company would pay administrative claims, priority tax claims and debtor-in-possession financing claims in full. Secured tax claims, totaling \$3,951 and priority claims, totaling \$171,879, would be paid in full.

General unsecured creditors, owed \$5 million to \$7 million, would receive 8% of their claims on the effective date plus a pro rata share of \$560,000. Unsecureds would receive the same treatment on the second anniversary of the effective date. On the third anniversary, unsecureds would receive 9% of their claims plus a pro rata share of \$630,000.

Equity holders would maintain their interests.

Atari also failed to receive qualified bids by a July 10 deadline for its "RollerCoaster Tycoon" and "Test Drive" franchises, which required minimum bids of \$3.5 million and \$1.5 million, respectively.

Debtor counsel Scott L. Alberino of Akin Gump Strauss Hauer & Feld LLP on July 24 told The Deal Pipeline that Atari had just two remaining employees and was in "full wind-down."

In the largest deal, Wargaming World Ltd. bought Atari's "Master of Orion" franchise for \$1.22 million in a series of sales approved July 24. Wargaming also won the "Total Annihilation" franchise for \$960,000.

Epic Gear LLC bought the "Backyard Sports" franchise for \$1 million.

Tommo Inc. purchased the "Humongous" franchise, "Fatty Bear's Birthday Surprise" and "Math Gran Prix" for \$900,000.

Rebellion Interactive Games Ltd. bought the "Battlezone" franchise for \$565,500. Rebellion also paid \$100,000 for the "Moonbase Commander" franchise.

Finally, Stardock Systems Inc. acquired the "Star Control" franchise for \$305,000.

Atari filed for Chapter 11 on Jan. 21, the same day French parent Atari SA commenced a restructuring in France in line with Book 6 of the French Commercial Code. Atari SA said it made the filing because it was "starved for funds and unable to finance its continued growth" after sole lender BlueBay Asset Management LLP of London entered liquidation.

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Sega Sammy Holdings is set to purchase Index Corporation for 14 billion yen/\$141 million, it has been revealed.

Financially challenged Index is the parent company of Atlus, known for such games as the Persona series and Dragon s Crown, so Atlus will now become a part of Sega. Atlus previously said it would be unaffected by the financial troubles, although Sega reportedly plans to restructure the games business..

The report from Nikkei, comes after rumors in August that Sega was part of twenty companies bidding for Index, as it went through financial proceedings.

#### Appeal of Activision-Vivendi Ruling To Be Heard October 10

Activision Blizzard Inc will make its argument before Delaware's Supreme Court next month to overturn a lower court's surprise decision to halt the video game company's planned \$8.2 billion deal with French media conglomerate Vivendi SA.

The state's high court said on Monday it had scheduled arguments for October 10.

Delaware Court of Chancery judge Travis Laster temporarily halted the proposed deal on Wednesday.

Activision investor Douglas Hayes had sued the company's board, alleging they breached their duty to shareholders by not putting the deal to a stockholder vote.

Delaware's Supreme Court has a reputation for quickly resolving appeals in large corporate disputes. The court ruled from bench last year to uphold a Court of Chancery decision to halt a hostile bid by Martin Marietta Materials Inc for Vulcan Materials Co.

The Activision deal is considered pivotal for Vivendi as it seeks to streamline its diverse portfolio.

Under the deal, Activision said it would buy back 429 million shares from Vivendi for \$5.83 billion. As part of the terms, an investor group led by Activision Chief Executive Bobby Kotick and Co-Chairman Brian Kelly will separately purchase about 172 million Activision shares from Vivendi for \$2.34 billion.

The Activision Blizzard Inc et al v Douglas M. Hayes, Delaware Supreme Court, No. 497, 2013.

#### New Skill-based Casino Slots Play for Video Gamers

Atari's 1981 hit Centipede is an antique in the video game world, but it's the hottest new thing in the casino industry.

Slot machine manufacturers are rolling out a raft of games inspired by the penny arcade, hoping to attract middle-aged gamblers with a dose of nostalgia and the promise of finally cashing in on all those hours spent in front of a screen.

A Centipede slot machine to hit casino floors soon is more than just a clever licensing deal, or a sign of gambling's cosmetic change from one-armed bandits to touch screens and digital music. It's part of a new generation of models that let users show off a rare casino trait: skill.

The game, developed by International Game Technology, the industry's largest slot manufacturer, converts points earned shooting digital insects directly into money. If two gamblers sit down at an identical machine, the better shot will walk away with more cash.

At the gambling industry's annual trade show in Las Vegas this week, a stream of men in suits sat down to try out the new game. Bodies swaying around a joystick, they maneuvered their character on an overhead screen, dodging spider attacks and shooting at creepy insects amid a flurry of "pew pew" sounds.

IGT's competitors are taking note.

Several manufacturers, including WMS and Aristocrat, say they are working on incorporating skill into their own games. Bally Technologies is approaching the trend differently, trying to bring back high score pride. Two of its newer games, Skee-Ball and Total Blast, let players log their initials on a scoreboard. The player doesn't get paid out directly in cash, but can monitor the standings on Facebook.

"The casino would love it if players are like, 'Oh I got beat! I have to go back and play some more to get in the lead,'" Bally spokesman Mike Trask said. "If they were 15 years old in 1985 playing against their friends, trying to get the highest score, that person is almost 50 years old now, and they're right in the demographic."

Industry honchos hope the new breed of games will help slots beat their reputation as "day care for the elderly." The games are normally marketed toward women ages 55 to 65.

"I grew up playing Atari and Nintendo, and I want to believe my skill in these games has some effect on the outcome," said Geoff Freeman, the 38 year-old head of the American Gambling Association. "Let me play Madden football, let me play EA Hockey. We'll put \$20 down, the winner gets \$15 and the house gets \$5."

It's an appealing idea for gamers, but unlikely to come to fruition because casinos make far more money when gamblers play against the house, as opposed to each other.

Skill will still only take you so far even with the new brand of slots. The flashing, singing machines sometimes called "beautiful vaults" because they are the most profitable game a casino can put on its floor are only marketable if they can retain a consistent portion of wagers, usually somewhere between 5 percent and 20 percent.

No matter how much of a joystick master a Centipede player may be, he or she will still have to get lucky to reach the bonus round.

Nevada regulators have seen an uptick in the number of slot machines incorporating skilled bonus rounds, according to Gaming Control Board engineer Joel Eickhoff. But the state will only approve games that are more slot machine than video game.



he didn't specifically mention the Steam box today, Newell hinted at an announcement next week.

"Next week we're going to be rolling out more information about how we get there and what are the hardware opportunities we see for bringing Linux into the living room," Newell said.

Getting games to work on Linux has its challenges. If not implemented right, "Just compile it yourself" could be the inconvenient solution to the problem of installing games and applying updates, he said. However, Valve worked through these problems in bringing Left 4 Dead 2 to Linux, hopefully showing the way to other developers, he said.

Bringing Steam to Linux "was a signal for our development partners that we really were serious about this Linux thing we were talking about," Newell said.

Besides just releasing Steam on Linux-based operating systems, Valve is contributing to the LLDB debugger project and is co-developing an additional debugger for Linux, Newell said.

"When we talk to developers and say, 'if you can pick one thing for Valve to work on the tools side to make Linux a better development target,' they always say we should build a debugger," he said.

Newell has previously complained about Windows 8 being a "catastrophe for everyone in the PC space," and he reiterated these concerns today. Closed platforms are going to lose to open ones that allow innovation, he said. But that won't stop Steam's rise: Despite year-over-year declines in the PC market, Steam has seen a 76 percent increase in its own sales according to Newell.

"I think we'll see either significant restructuring or market exits by top five PC players. It's looking pretty grim," he said. "Systems which are innovation-friendly and embrace openness are going to have a greater competitive advantage to closed or tightly regulated systems."

#### Here s How SteamOS Destroys Microsoft

This week the gaming-centric company known as Valve has announced plans to release SteamOS, a living room-aimed operating system that will be free to download and free to license. This operating system is based on Linux architecture similar to how Android is a Linux-based OS and the company intends on expanding well beyond the confines of their current video games-based model with TV, movies, and music. Is Microsoft too big to fail? We re about to find out.

Here before the launch of SteamOS, users are already able to download Steam as an application that launches inside Windows, OS X, or Linux, of course. This system has a so-called Big Picture Mode with a focus on moving the user through lists and features as quickly as possible, leading them toward playing games, interacting with friends in the Steam network, and purchasing new games. This system already works as a fully functional home entertainment center software for those willing to take the time to set a computer up to run it.

For those who tend to work with more traditional solutions, there s the



Xbox and the PlayStation. Xbox One has been promoted by Microsoft as a video-centric beast of a multimedia machine, while the PlayStation 4 comically retorted with claim that they're about to be in your living room for games first and foremost yet they've also got media on the way.

So what will Valve do with SteamOS?

Like Google and Android, SteamOS will be distributed in a way where developers and manufacturers of hardware will be able to modify it. With Android, manufacturers of hardware only need to follow a set of guidelines if they want an official implementation of Google Play (Google's media store) on the device right out of the box. If a manufacturer does not want Google Play for example if they've got their own app store they need not follow any rules at all.

Valve will present a model very similar to this. They've been very clear in their intent with openness and users' ability to alter or replace any part of the software or hardware they want. Valve's Gabe Newell spoke famously harshly of Microsoft's move to Windows 8 back in July of 2012, speaking specifically of how the open nature of the PC was the only way Valve was ever able to exist in the first place.

We want to make it as easy as possible for the 2,500 games on Steam to run on Linux as well. It's a hedging strategy. I think Windows 8 is a catastrophe for everyone in the PC space. We'll lose some of the top-tier PC/OEMs, who will exit the market. I think margins will be destroyed for a bunch of people. It will be good to have alternatives to hedge against that eventuality. Gabe Newell of Valve

He went on to speak of how Windows 8 works with their Windows Store in a way that closes off the rest of the gaming universe. For those of you that've worked with Windows RT (aka Windows 8 RT), this is doubly true. In an interview with AllThingsD, the same interview as spoken of above, Newell spoke on closed platforms too.

In order for innovation to happen, a bunch of things that aren't happening on closed platforms need to occur. Valve wouldn't exist today without the PC, or Epic, or Zynga, or Google. They all wouldn't have existed without the openness of the platform. There's a strong temptation to close the platform, because they look at what they can accomplish when they limit the competitors' access to the platform, and they say That's really exciting. Gabe Newell of Valve

What does Valve have to do to destroy Microsoft? They need only to stay focused on key products. It's difficult to tell at the moment exactly what Valve is planning to do with this operating system as far as its own line of hardware products.

Valve has been up-front about delving into wearable computing a little over a year ago. That was April of 2012 a few months later (September, that is), Valve released Big Picture Mode. By December, Newell was suggesting turnkey Valve PCs would be appearing in the near future.

In January of 2013, Newell gave an interview with The Verge where he suggested three tiers of gaming products for what was then called the Steam Box of the future.

The way we sort of think of it is sort of Good, Better, or Best. So, Good are like these very low-cost streaming solutions that you're

going to see that are using Miracast or Grid. I think we're talking about in-home solutions where you've got low latency. Better is to have a dedicated CPU and GPU and that's the one that's going to be controlled.

You can always sell the Best box, and those are just whatever those guys want to manufacture. [Valve's position is]: let's build a thing that's quiet and focuses on high performance and appropriate form factors. Gabe Newell of Valve

Sound familiar? It should. Google's methodology with Nexus devices has always on some level been about creating a device to which all other Android devices can aspire. The Google Nexus device collection is also out in the wild to provide developers with a single center point to concentrate their efforts for development of apps and games if it works here, it can work on a whole lot of other machines as well.

While Android continues to fork with systems such as the stand-alone OS CyanogenMod and their newly-solidified mobile OS plans. There the company bases their OS on Android (so that's an OS based on Android which in turn is based on Linux) and has already begun finding hardware homes in a manner that could very well be quite similar to how Valve will find homes for SteamOS.

Then there's NVIDIA's SHIELD device. This machine sits in our bags and we use it daily it's become quite familiar to us how Steam will play in on the living room with SHIELD's PC game streaming feature. NVIDIA worked with Valve to include Big Picture Mode on this Android-based handset/all-in-one gaming mobile device, and they've allowed it to hit the living room with HDMI and Miracast (courtesy of Android 4.2 Jelly Bean with NVIDIA finessing). Have a peek at how the syncing process works here:

And how SHIELD works with Steam Big Picture Mode here (note that this is also well before release it's a whole lot quicker at this point in real life):

This will be a feature of SteamOS as well. In our full NVIDIA SHIELD review you'll see that Steam already works like a top-notch living room system even on a display as (relatively speaking) small as the one on SHIELD.

Valve will release an operating system with a built-in userbase. According to Sega vice president of digital distribution via PCGamesN, back in November of 2012 Steam's Big Picture Mode already had 500,000 users working with it and that was just the Beta mode. Also back in November, Valve announced that Steam had a total of 50 million users total.

So supposing SteamOS an operating system with value for built-in users even before it launches decides to start courting Windows app developers too? How difficult would it be to convince developers to jump aboard a ship that's already sailing at high speed? No more difficult than it was for Android to jump in on a market where the clear leaders were Nokia, BlackBerry, and a rising Apple.

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A-ONE's Headline News  
The Latest in Computer Technology News  
Compiled by: Dana P. Jacobson

Zuckerberg: NSA Scandal Hurt Users Trust in Facebook

The fallout from the National Security Agency surveillance scandal hasn't just hurt trust between American tech companies and foreign governments; it's also damaged the relationship between American tech companies and their own customers. Per Reuters, Facebook CEO Mark Zuckerberg said this week that revelations about the NSA's vast data collection practices have made users less likely to trust Facebook and said that the government's handling of the scandal has been woefully inept.

Response to the NSA issues that have blown up are a big deal for the Internet as a global platform, Zuckerberg said. And some of the government statements I think have been profoundly unhelpful. Oh, we only spy on non-Americans. Gee thanks, we're trying to provide an international service, not get crushed in those places either.

Much like Google and Microsoft, Zuckerberg wants the government to let his company be more transparent about what information it provides to the government and about how many requests it receives to cough up information on its users each year.

From reading in the media, you couldn't get a sense whether the number of requests that the government makes is closer to a thousand or closer to a 100 million, he said. I think the more transparency the government has, the better folks would feel.

Snowden Disclosures Prompt Warning on Widely Used Computer Security Formula

In the latest fallout from Edward Snowden's intelligence disclosures, a major U.S. computer security company warned thousands of customers on Thursday to stop using software that relies on a weak mathematical formula developed by the National Security Agency.

RSA, the security arm of storage company EMC Corp, told current customers in an email that a toolkit for developers had a default random-number generator using the weak formula, and that customers should switch to one of several other formulas in the product.

Last week, the New York Times reported that Snowden's cache of documents from his time working for an NSA contractor showed that the agency used its public participation in the process for setting voluntary cryptography standards, run by the government's National Institute of Standards and Technology, to push for a formula that it knew it could break.

NIST, which accepted the NSA proposal in 2006 as one of four systems acceptable for government use, this week said it would reconsider that inclusion in the wake of questions about its security.

But RSA's warning underscores how the slow-moving standards process and

industry practices could leave many users exposed to hacking by the NSA or others who could exploit the same flaw for years to come.

RSA had no immediate comment. It was unclear how the company could reach all the former customers of its development tools, let alone how those programmers could in turn reach all of their customers.

Developers who used RSA's "BSAFE" kit wrote code for Web browsers, other software, and hardware components to increase their security. Random numbers are a core part of much modern cryptography, and the ability to guess what they are renders those formulas vulnerable.

The NSA-promoted formula was odd enough that some experts speculated for years that it was flawed by design. A person familiar with the process told Reuters that NIST accepted it in part because many government agencies were already using it.

But after the Times report, NIST said it was inviting public comments as it re-evaluated the formula.

"If vulnerabilities are found in these or any other NIST standards, we will work with the cryptographic community to address them as quickly as possible," NIST said on September 10.

Snowden, who is wanted on U.S. espionage charges and is living in temporary asylum in Russia, disclosed secret NSA programs involving the collection of telephone and email data.

#### U.S. Officials Woo Tech Companies in New Push for Cybersecurity Law

Senior U.S. officials on Wednesday sought to mend fences with the technology industry as they renewed their pleas for legislation to increase the flow of information about cyber attacks between federal agencies and private companies.

A plan to protect companies from privacy lawsuits if they turn over data on electronic intrusions was a central feature of the administrations cybersecurity agenda last year, but legislation containing it failed to pass and it has not gained momentum during this Congressional session.

The previous bill brought opposition from privacy advocates who feared too much data would end up in the hands of the National Security Agency, which is aligned with military and generally charged with spying overseas. Those arguments resonate more now that documents leaked by Edward Snowden showed that the NSA collects domestic calling records and that big Internet companies provide information on thousands of overseas customers.

"If we thought that information-sharing was moving slowly before, now it's moving even more slowly," a senior administration official said in an interview granted on condition of anonymity.

The White House task would be easier with technology companies' support, but some are reluctant to endorse anything that would exacerbate the negative publicity from Snowden's documents.

NSA Director Keith Alexander stressed Wednesday that Google Inc, Facebook

Inc and other technology companies revealed by Snowden as assisting the NSA were only doing what courts had ordered them to do in a "compelled relationship." A half-dozen companies are petitioning U.S. courts for the right to disclose more about how much they turn over, saying that early media reports exaggerated their role.

"Industry has done the right thing, and we need industry to work with us on cyber legislation," Gen. Alexander said in a speech at Billington Cybersecurity Summit in Washington. "If we can't share information with them, we won't be able to stop it."

The senior U.S. official said the White House wants security legislation that would minimize data on Americans and limit what the NSA could do with that data.

In the meantime, federal agencies are working to share more information with each other more rapidly and automatically where feasible, and officials are expanding a program to use secret data about emerging threats to protect private companies that are critical to the country's economic health.

In another bid to make amends with the technology industry, the U.S. National Institute of Standards and Technology is revisiting its past endorsement of a cryptology tool developed at the NSA that Snowden's papers show was promoted because it was weak and could be broken by the NSA. EMC Corp's RSA security division and others adopted the tool and have recently asked software writers to stop relying on it, but many programs using it are in wide circulation.

A NIST official told Reuters that the agency would work closely with outside cryptography experts to see whether other standards were problematic. "We are looking at reviewing our processes," said Donna Dodson, deputy cybersecurity advisor at NIST.

Alexander and Mike Rogers, chair of the House Intelligence Committee, gave spirited defenses of the NSA programs, which Alexander said had helped prevent dozens of terrorist attacks, and said that most of the violations described in declassified court rulings were minor.

"It's not a privacy violation. It's a bureaucratic issue and a technology issue," Rogers said at a cybersecurity event put on by the U.S. Chamber of Commerce.

Alexander said that over the past decade, the NSA had self-reported 12 "willful" violations of its own spying rules overseas, and that the majority of those responsible had taken retirement afterward. Two were demoted and had their pay docked.

#### Facebook, Other Banned Sites To Be Open in China Free Trade Zone

Facebook, Twitter and other websites deemed sensitive and blocked by the Chinese government will be accessible in a planned free-trade zone (FTZ) in Shanghai, the South China Morning Post reported on Tuesday.

Citing unidentified government sources, the Hong Kong newspaper also said authorities would welcome bids from foreign telecoms firms for licences to provide Internet services in the zone.

China's ruling Communist Party aggressively censors the Internet, routinely deleting online postings and blocking access to websites it deems inappropriate or politically sensitive.

Facebook and Twitter were blocked by Beijing in mid-2009 following deadly riots in the western province of Xinjiang that authorities say were abetted by the social networking sites. The New York Times has been blocked since reporting last year that the family of then-Premier Wen Jiabao had amassed a huge fortune.

The recently approved Shanghai FTZ is slated to be a test bed for convertibility of China's yuan currency and further liberalization of interest rates, as well as reforms of foreign direct investment and taxation, the State Council, or cabinet, has said. The zone will be formally launched on September 29, the Securities Times reported earlier this month.

The idea of unblocking websites in the FTZ was to make foreigners "feel like at home", the South China Morning Post quoted a government source as saying. "If they can't get onto Facebook or read The New York Times, they may naturally wonder how special the free-trade zone is compared with the rest of China," the source said.

A spokesman for Facebook said the company had no comment on the newspaper report. No one at Twitter or the New York Times was immediately available to comment.

For Facebook, the world's largest online social network, with 1.15 billion users, China represents an important new market for growth.

Facebook CEO Mark Zuckerberg, who has studied Mandarin and visited China to meet with local Web entrepreneurs, has said that making Facebook available in China is in keeping with his company's goal of connecting the world.

Earlier this month, Facebook Chief Operating Officer Sheryl Sandberg met with the head of China's State Council Information Office during a visit to Beijing. The pair discussed Facebook's importance as Chinese enterprises continue to expand abroad "and various cooperation matters around that," according to a post on the Council's website.

Shares of Facebook were up more than 4 percent at \$49.19 in trading on Tuesday, though some analysts attributed the gains to Citigroup upgrading its rating of Facebook's stock from neutral to buy.

Twitter, which is preparing for an initial public offering, could also benefit by being available in China, the world's largest Internet market by users. Still, many Chinese Web users already use similar services, such as Sina Corp's Weibo.

China's three biggest telecoms companies - China Mobile, China Unicom and China Telecom - have been informed of the decision to allow foreign competition in the FTZ, the sources told the newspaper.

The three state-owned companies had not raised complaints because they knew the decision had been endorsed by Chinese leadership including Premier Li Keqiang, who has backed the Shanghai FTZ, the sources added.

## Facebook and Twitter Too Late for China's Internet

Facebook Inc and Twitter face a daunting task in China, if access to their social networks is unblocked, as they would be up against deeply entrenched domestic rivals which cater to local needs and tastes.

Years of isolated growth means China's sophisticated social media companies, including Tencent Holdings , Sina Inc and Renren Inc, won't be too worried if Facebook and Twitter prise open the door to China's 591 million Internet users, the world's biggest online population.

Access to Facebook and Twitter has been blocked in China since 2009, but will be lifted by the government in the Shanghai Free Trade Zone (FTZ) which is due to launch this weekend, the South China Morning Post reported on Tuesday - a move that has been popularly dubbed the "Internet Concession".

But it may be too late for them to repeat their success elsewhere in one of the world's most promising, yet most restricted, Internet markets - where online advertising revenues soared almost 47 percent last year to \$12.3 billion.

"The Chinese social media landscape is among the most developed, sophisticated landscapes out there," said Sam Flemming, chief executive of China-based social media intelligence firm CIC. "These aren't just niche social networks, these are a major part of the Internet in China."

Tencent's popular messaging app WeChat has 236 million active users, more than half of all China's smartphone users, and micro-blogging service Sina Weibo had more than 500 million registered accounts last year.

Tencent, whose market value topped \$100 billion this month, stole the march on rivals with its WeChat social messaging app that lets users talk privately and in groups, play games, update friends on recent events, send voice messages and make online payments.

Facebook, valued at \$118 billion, said in its IPO prospectus last year that its China market share was almost zero, and recent studies say Twitter has no more than 50,000 active users in China. Access to both is limited to people with Virtual Private Networks (VPNs) that can bypass China's Great Firewall - the colloquial term for Beijing's Internet blocking mechanism.

"Weibo has similar features to Twitter, but its role in China for the dissemination of news, information and entertainment, that's what's critical," said CIC's Flemming.

"Weibo is the zeitgeist of China, the water cooler of China."

A major challenge for the likes of Facebook and Twitter on entering the Chinese Internet would be how to address the issue of official censorship, which has a stranglehold on domestic online media. Chinese authorities are cracking down on anyone posting "online rumours" and have arrested influential celebrities on Weibo, known as "Big Vs", and even jailed a 16-year old boy for spreading rumours online.

"Facebook would make extensive compromises it's not willing to make in other parts of the world in order to facilitate its introduction in

China," said David Kirkpatrick, author of 'The Facebook Effect', adding that a Chinese fondness for brands, and a desire to interact globally, would draw users to the social network, which has 1.15 billion monthly active users worldwide. Renren, its nearest Chinese equivalent, has 54 million users as of June, and a market value of less than \$1.3 billion.

While Twitter - which has 200 million active users and has been valued at around \$15 billion ahead of a likely IPO - can offer information and content from outside China, little of it is in Chinese.

Overall, the effect of China unblocking these social networks, even on a scale larger than just the Shanghai FTZ, is likely to be limited.

"The impact is primarily on people who have a global point of view and need to communicate globally. Most Chinese people are not pining for an alternative to Weibo and WeChat," said Kirkpatrick.

#### Hacker 'Mercenaries' Linked to Japan, South Korea Spying

A small, sophisticated international hacking group was responsible for a widely publicized 2011 spying attack on members of Japan's parliament as well as dozens of previously undisclosed breaches at government agencies and strategic companies in Japan and South Korea, security researchers said.

Researchers at Kaspersky Lab believe they have found a squad of hackers for hire, who contract out to governments and possibly businesses, in contrast to recent reports on hacks said to be carried out by full-time government employees.

"What we have here is the emergence of small groups of cyber-mercenaries available to perform targeted attacks," said Kaspersky's global research director, Costin Raiu, in an interview with Reuters.

"We actually believe they have contracts, and they are interested in fulfilling whatever the contract requirements are," he said.

The espionage against members of the Japanese Diet had been blamed by that country's officials on Chinese hackers, according to local media, but few details had been provided. Kaspersky attributed the attack to the new group. He was unable to say if the Chinese government was behind or contributed to the attack.

Logs and other records show that the same group also took aim at some of the world's biggest shipbuilders, media companies and defense contractors including Selectron Industrial Co., although Kaspersky did not say which attacks had been successful.

Selectron, which supplies U.S.-designed components to defense and industrial customers in Korea, Japan and elsewhere, had no immediate comment.

Kaspersky said it was working with some of the companies and with law enforcement in multiple countries.

In a report released on Wednesday, Kaspersky said researchers had won access to many of the command computers used in the campaigns and that



logs and other material showed a long list of intended victims.

They said that comments within the attack programs and the names of some internal files were in simplified Chinese, but that members of the group were also conversant in Japanese and Korean, suggesting a presence in all three countries.

Servers were discovered in China, Japan, Hong Kong, Taiwan, Korea and the United States.

Hacking teams often suck up enormous amounts of data with little discrimination over long periods, aiming to filter through the trove afterwards, according to reports suspected state-sponsored electronic espionage.

But this team acted with great precision, targeting specific documents or log-in credentials and then leaving the victimized network within weeks.

The report by Moscow-based Kaspersky follows a September 17 research paper by SymantecCorp that blamed a separate, larger Chinese group for well-known attacks on Google Inc, EMC Corp's RSA division, and Adobe Systems Inc.

Kaspersky dubbed the new campaign IceFog, after the name of one of the control servers, and said attacks typically began with emails tailored to a specific person at a victim company.

Microsoft Word or other attachments, once opened, allowed direct access to the attackers, who then roamed the network looking for blueprints or other treasure. The multiple security holes that were used were previously known, but the systems had not been patched.

There were a few dozen victims who used Windows, Raiu said. A Mac variant of the same malicious software was detected in thousands of infections, but was spread casually on a Chinese-language bulletin board, perhaps as a test. He said there was no evidence that any of the Mac victims had files copied and removed.

The hackers have changed their attack software in the past two years, leaving fewer clues to what was done, Kaspersky said.

The objectives of the customers appeared to vary. In one case, the detailed budget for a national army was sought, Kaspersky said, declining to name the army. In other cases, product blueprints were sought.

Raiu saw no evidence of tampering or destruction, only the removal of sensitive information.

#### Spain Readies Hefty Jail Terms over Internet Piracy

Spain can jail for up to six years the owners of websites that link to pirated content under a measure it approved on Friday as it tries to keep off a U.S. list of countries where copyright is violated most.

Countries on the watch list could face trade sanctions from Washington. Spain was in danger of finding itself back on after dropping off last year.

The amendment to the penal code, approved by the government, will affect only those trying to make money from sites by linking to copyrighted material provided illegally by third parties.

That includes making "direct or indirect profit" - for example from advertising, the government said.

Spain previously only had the means to punish those who copied and distributed copyrighted material but it did not pursue sites that linked to providers of pirated music, films and television shows.

Users of the link-hosting sites will not face any punishment under the new regulation.

Peer-to-peer file sharing sites and search engines are exempt from the rules and will not face legal action.

"This is a real balance between protecting copyright and new technologies," Spain's Justice Minister Alberto Ruiz-Gallardon said at a news conference after a weekly cabinet meeting on Friday.

#### Microsoft Prepares To Pay More To Keep Top Executives During CEO Search

Microsoft Corp's board has authorized special stock awards to hold onto top executives as the world's largest software company searches for a new chief executive officer, according to a regulatory filing made public on Monday.

The company has not yet earmarked any payments, but said in the filing to the U.S. Securities and Exchange Commission that it "may from time to time make awards to executive officers," partly to ensure "continuity of key leaders during the transition to a new chief executive officer."

In August, Microsoft CEO Steve Ballmer announced his plan to retire within 12 months, setting off the company's search for a new leader. The board committee in charge of appointing the next CEO has said it will consider both internal and external candidates.

Several Microsoft insiders are thought to be contenders for the CEO spot. No executives were named in the filing.

Microsoft said the awards would be in the form of stock and would range from 25 percent to 150 percent of the recipient's annual target compensation. Senior Microsoft executives are already eligible for a cash bonus and stock awards each year.

#### Ballmer Goes Out Punching at Last Microsoft Employee Meeting

Microsoft Corp Chief Executive Steve Ballmer took his farewell bow before thousands of applauding employees on Thursday with a typically loud and emotional performance at his last companywide meeting, talking up the software giant's prospects and taking swipes at rivals.

The CEO, whose screeching and dancing at company events is the stuff of YouTube legend, stormed the stage to "Can't Hold Us" by Seattle rap/producer duo Macklemore and Ryan Lewis, and kept up his usual high tempo, according to several people present at the employee-only meeting.

He departed to the strains of Michael Jackson's "Wanna Be Startin' Somethin'," the song played at Microsoft's first employee meeting in 1983, followed by "(I've Had) The Time of My Life" from the finale of "Dirty Dancing," getting a standing ovation from the 13,000 or so Microsoft full-time employees in attendance.

"We have unbelievable potential in front of us, we have an unbelievable destiny," said a visibly moved Ballmer, reusing a quote from the 1983 meeting. "Only our company and a handful of others are poised to write the future," he continued. "We're going to think big, we're going to bet big."

Ballmer, who announced his plan to retire within 12 months in August, was the last act of the all-day event at Seattle's KeyArena, former home of the city's SuperSonics basketball team.

Thousands of full-time Microsoft employees showed up, most of them bussed in from Microsoft's campus on the east side of Lake Washington - while an estimated 25,000 more tuned in via webcast.

The event is an annual traffic nightmare for Seattle, with 220 buses making the 15-mile journey from Microsoft's campus in Redmond to the center of the city.

During his time on stage, Ballmer talked about telling his parents about deciding to drop out of Stanford's business school to join Microsoft on 1980, recalling that his father - a long-time Ford Motor Co executive - asked him what a personal computer was.

He dwelled on his new plan to transform the company from a software-centric operation into a more innovative devices and services company, which he said would make it "fundamentally more powerful."

He also took a swipe at rivals, declaring that Apple is about being "fashionable," Amazon.com is about being "cheap," Google is about "knowing more," but Microsoft is about "doing more."

Microsoft has a bright future, Ballmer said, echoing his theme from last week's meeting with Wall Street analysts.

"I believe in you, I believe in the mission," he told employees, choking up slightly. "We've been a great company for years. We will be a great company for many more years."

#### Novell Loses Appeal on Case Against Microsoft

A federal appeals court is throwing out Novell Inc.'s complaint that Microsoft Corp. undermined the WordPerfect writing program in favor of Microsoft's own Word program with the Windows 95 rollout.

The Denver-based 10th U.S. Circuit Court of Appeals ruled Monday that Novell has no viable claims left after the Utah company lost an

eight-week trial against Microsoft in Salt Lake City two years ago.

The case was so important to Microsoft that it put co-founder Bill Gates on the stand for two days, saying he had no idea a last-minute decision to drop a tool for outside developers would sidetrack Novell.

Novell says the decision cost it time and market share, and that it was forced to sell WordPerfect for a \$1.2 billion loss.

The 10th Circuit ruled that Novell's complaint came too late and it failed to make the larger case that Microsoft was protecting a monopoly on operating systems.

### Apple Launches New iMacs

Getting an internal rather than external makeover, Apple's super-slim desktops keep the same good looks but now come with processing speed and storage space to spare.

Not content with the overwhelming success of its latest iPhone sales figures, Apple has launched two new iMac all-in-one desktops complete with next generation processors, graphics Wi-Fi, and storage. In fact all that hasn't changed are the computers outward appearances.

As expected, like its latest MacBook Air ultra-light notebooks, the iMacs have made the jump to Intel's Haswell processors - quad-core Intel Core i5 processors up to 3.4 GHz to be precise - meaning faster, more responsive processing and graphics, which have been paired with NVIDIA GeForce 700 series graphics cards, doubling the video memory and boosting performance by 40 percent over the existing models. And of course if that is not enough, there is an upgrade option to a quad-core Intel Core i7 processor up to 3.5 GHz and NVIDIA GeForce GTX 780M series graphics with up to 4GB of video memory.

Wi-fi is now 802.11ac, meaning that as long as the router and other elements of the home network support it, surfing speeds are comparable to a wired Ethernet connection, while also giving everything a boost is the inclusion of a bigger fusion drive (up to 3TB) Apple's part solid state flash, part spinning disc hard drive that gives faster boot-up times, instant access to open files and to applications without overwhelming the RAM.

However, there is plenty of RAM to go round. The computers ship with 8GB as standard but can be maxed out to a whopping 32GB.

Available Tuesday, the entry-level 21.5-inch iMac will cost \$1299 (£1,149 or 1299) from Apple's online store while its bigger 27-inch brother will retail for \$1799 (£1,599 or 1799).

### Tesco Eyes Slice of Tablet Market with 'Hudl'

Tesco, the world's third-biggest retailer, has entered Britain's intensely competitive tablet market with a low-priced own-brand product that it hopes will boost online shopping and drive sales of its digital

entertainment content.

The British firm said on Monday its "Hudl" device, which has a seven-inch screen, runs Google's Android operating system and has 16 gigabytes of storage, would be priced at 119 pounds (\$190), taking on a market dominated by Apple , Samsung and Amazon .

Tesco is attempting to revive its fortunes in its home market after losing share to rivals but has suffered a series of setbacks to its reputation this year, including the discovery across Europe of horsemeat in products labeled as beef.

In June the firm posted a drop in quarterly underlying sales in Britain, resuming a trend seen for most of the past three years and raising doubts about its 1 billion pound turnaround plan.

"It's a reflection of the way Tesco is changing and also a reflection of the way the world around us is changing," Chief Executive Phil Clarke told reporters at the Hudl launch.

Though a quarter of Britain's households own a tablet computer, Clarke said Tesco had identified a gap in the market because many shoppers were put off by the expense and by intimidating technology.

"Tesco in the UK reaches 20 million customers a week, many of whom have not previously considered buying a tablet ... So we are uniquely positioned to open up the tablet market," he said.

The Hudl device has quick access to Tesco's online shopping and banking sites, as well as its blinkbox movies and TV on demand service, Clubcard TV, music streaming and e-book services.

If Tesco customers utilize a scheme that doubles the value of their Clubcard loyalty vouchers they can effectively buy the Hudl for 60 pounds.

Tesco's device will compete with Amazon's Kindle Fire, which retails for 99 pounds, Google's Nexus 7, which costs 199 pounds and Apple's iPad mini, which sells for 269 pounds.

"If you compare the specification that we've put together with the specification of similarly priced products on the market we'll beat them hands down," said chief information officer Mike McNamara.

Gareth Beavis, phone and tablet editor at online technology publication TechRadar, said Tesco was attempting to "do an Amazon" by encouraging shoppers into buying something that has its own services onboard.

It was a logical move for Tesco, he said, but for consumers possibly less so.

"The Nexus 7 is a few tens of pounds more, but it is an absolutely mind-blowing machine in comparison," he said.

Sebastian James, CEO of Dixons Retail , Europe's second biggest electricals retailer, said earlier this month that although there is a market in Britain for cheap and basic tablets, consumers were often left disappointed by purchases.

"We get a lot back because people use them and they say 'no, what I wanted

was an iPad' and they are not," he told Reuters.

"There's a reason why an iPad is more expensive, it's just better."

Tesco declined to say how many Hudls it expected to sell but said its supply chain can be flexed to meet demand.

The device will initially launch in Britain only, though a roll-out to the group's overseas markets in Europe and Asia could be considered in the future.

### Microsoft Unveils New Surface, Fixes Shortcomings

Microsoft refreshed its Surface tablet computers Monday, giving them longer battery life and better comfort on laps as the software giant continues its transformation into a devices and services company.

The company said it tried to address many shortcomings of the first-generation Surface models, sales of which have been slow. Microsoft needs to boost its tablet business to make up for sales declines in traditional desktop and laptop computers. IDC is forecasting a nearly 10 percent decline in PC shipments this year. The research firm also said tablets will outsell traditional PCs in the last three months of the year.

The new tablet models come with a better built-in kickstand so they can rest more firmly on users' laps while they sit on the couch. Microsoft is also making a docking station and a wireless mouse for business customers who need the mobility of tablets but also desire the traditional ways of using computers while in the office.

"We've definitely gotten a year smarter," Brian Hall, general manager of sales and marketing for Surface, said in an interview.

The redesigned Surface tablets come at a time of transition for Microsoft. Earlier this month, Microsoft struck a deal to acquire Nokia's phone and services business for \$7.2 billion. The company is also searching for a new CEO to replace Steven A. Ballmer, who announced last month that he plans to retire within the next year.

The Surface Pro 2 is targeted at professionals who want the full power of a laptop in a tablet-style device. With a starting price of \$899, the Pro 2 uses a full version of the upcoming Windows 8.1, meaning it can run any program written for Windows desktops and laptops.

The Pro 2 promises 75 percent more battery life than the debut Pro model, which came out in February. Microsoft, which did not specify the number of hours of expected use, said the improvement comes partly from the use of Intel's Haswell chip, which uses less energy. There's also an optional Power Cover accessory that extends battery life even further.

A cheaper model, Surface 2, offers a 25 percent improvement in battery life, which means it can get up to 10 hours of use. It also has a better screen compared with last October's Surface RT. It uses Windows RT 8.1, meaning it can run only apps specifically designed for it. Microsoft said it now has 100,000 apps, or 10 times what was available last year. Like other RT tablets, Microsoft is including a version of its Office software for free with the Surface 2. But now, the package will have the Outlook

email and calendar program, not just Word, Excel and PowerPoint.

Microsoft is selling the Surface 2 starting at \$449 and will continue to offer last year's Surface RT for \$349.

The Surface 2 and the Surface Pro 2 will come with 200 gigabytes of free online storage through SkyDrive for two years, as well as free calls and Wi-Fi hotspots through Skype for a year. The new tablets will go on sale Oct. 22, a few days after Microsoft releases its 8.1 update to its Windows 8 operating system on Oct. 17. The screen on both new models remains at 10.6 inches, measured diagonally.

Keyboard covers will cost extra: \$120 for a Touch Cover 2, which has working, printed keyboard on the inside surface but whose keys don't move when pushed, and \$130 for Type Cover 2, which have keys that move. A new Power Cover with a built-in spare battery will cost about \$200 when it comes out early next year.

A \$200 docking station also will come out early next year and will work only with Pro models, including the older one already out. Hall said Microsoft chose not to make the Pro 2 smaller so that accessories would be compatible.

In an interview, Hall said the company will fine-tune its marketing strategy by showing specific things that the Surface can do in ads. Last year's ads, he said, tried to create an energetic feeling, but failed to show consumers what the tablets did.

Hall also said Microsoft won't try to compete directly with Apple's popular iPad. Microsoft is positioning the Surface as ideal for tasks people normally tackle on laptops, such as creating documents and editing movies. That's also the reason the Redmond, Wash., company opted not to make models with smaller screens, Hall said, as those tend to be used more for entertainment and content consumption.

"We have to get people to think of it as a little different (from) an iPad," he said. "iPads are great, but these are a different device. ... We're building a product for a different set of people."

#### Verizon's Diabolical Plan To Turn The Web Into Pay-per-view

Think of all the things that tick you off about cable TV. Along with brainless programming and crummy customer service, the very worst aspect of it is forced bundling. You can't pay just for the couple of dozen channels you actually watch. Instead, you have to pay for a couple of hundred channels, because the good stuff is scattered among a number of overstuffed packages.

Now, imagine that the Internet worked that way. You'd hate it, of course. But that's the direction that Verizon, with the support of many wired and wireless carriers, would like to push the Web. That's not hypothetical. The country's No. 1 carrier is fighting in court to end the Federal Communications Commission's policy of Net neutrality, a move that would open the gates to a whole new - and wholly bad - economic model on the Web.

As it stands now, you pay your Internet service provider and go wherever

you want on the Web. Packets of bits are just packets and have to be treated equally. That's the essence of Net neutrality. But Verizon's plan, which the company has outlined during hearings in federal court and before Congress, would change that. Verizon and its allies would like to charge websites that carry popular content for the privilege of moving their packets to your connected device. Again, that's not hypothetical.

ESPN, for example, is in negotiations with at least one major cellular carrier to pay to exempt its content from subscribers' cellular data caps. And what's wrong with that? Well, ESPN is big and rich and can pay for that exemption, but other content providers - think of your local jazz station that streams audio - couldn't afford it and would be out of business. Or, they'd make you pay to visit their websites. Indeed, if that system had been in place 10 years ago, fledglings like Google or YouTube or Facebook might never have gotten out of the nest.

Susan Crawford, a tech policy expert and professor at Yeshiva University's Benjamin N. Cardozo School of Law, says Verizon wants to "cable-ize the Internet." She writes in her blog that "The question presented by the case is: Does the U.S. government have any role in ensuring ubiquitous, open, world-class, interconnected, reasonably priced Internet access?"

They argue that because they spent megabucks to build and maintain the network, they should be able to have a say over what content travels over it. They say that because Google and Facebook and other Internet companies make money by moving traffic over "their" networks, they should get a bigger piece of the action. (Never mind that pretty much every person and business that accesses Google or Facebook is already paying for the privilege, and paying more while getting less speed than users in most of Europe.)

In 2005, AT&T CEO Ed Whitacre famously remarked that upstarts like Google would like to "use my pipes free, but I ain't going to let them do that because we have spent this capital and we have to have a return on it."

That's bad enough, but Verizon goes even further. It claims that it has a right to free speech and, like a newspaper that may or may not publish a story about something, it can choose which content it chooses to carry. "Broadband providers possess 'editorial discretion.' Just as a newspaper is entitled to decide which content to publish and where, broadband providers may feature some content over others," Verizon's lawyers argue in a brief.

That's so crazy I won't bother to address it. But the FCC has done such a poor job of spelling out what it thinks it has the right to regulate and how that should work that the door is wide open for the carriers' bizarre - not to mention anticonsumer - strategies and arguments.

I don't want to get down in the regulatory weeds, but there is one bit of legalese that's worth knowing: common carrier. Simply put, it means that the company doing the shipping can't mess with the contents. A railroad is a common carrier, and as such it can't decide whose cargo it will carry and whose it won't.

Before railroads were common carriers, they did things like favor products made by John D. Rockefeller's Standard Oil, which made him even richer and also led to the creation of a wildly out-of-control monopoly. (Yeshiva's Crawford has an in-depth but readable explanation of these issues in her book "Captive Audience: The Telecom Industry and Monopoly Power in the



New Gilded Age."

But the FCC has never ruled that ISPs are common carriers, partly because it's afraid of the power of the lobbyists to influence Congress and partly because its directors lack spine. And now that lack of spine is about to bite the butt of everyone who uses the Web.

According to people who follow this stuff closely, because ISPs are not common carriers the judges on the U.S. Court of Appeals in Washington, D.C., are looking askance at the FCC's defense against Verizon's lawsuit, although a verdict isn't likely for months.

Here are the stakes: "If Verizon - or any ISP - can go to a website and demand extra money just to reach Verizon subscribers, the fundamental fairness of competing on the Internet would be disrupted. It would immediately make Verizon the gatekeeper to what would and would not succeed online. ISPs - not users, not the market - would decide which websites and services succeed," writes Michael Weinberg, vice president of Public Knowledge, a digital advocacy group.

You don't have to wait for the Verizon verdict to get a taste of what the New Web Order would be like. Time Warner Cable and CBS just had a dustup over how much Time Warner would pay CBS to carry its programming. When the pair couldn't agree, the cable giant stopped carrying CBS programming in New York City, Los Angeles, and Dallas. CBS then retaliated by stopping Time Warner subscribers from streaming its programming over the Internet.

They settled after about a month. Staying true to form, Time Warner refused to give customers a rebate as compensation for lost programming.

That's not exactly the same issue that we're facing in the fight over Net neutrality, but it should give you a sense of what life is like when the giants fight it out over what you're allowed to access and for how much. Users get caught in the middle, and the rights we've taken for granted simply disappear.

#### At 15, Google Revisits Past, Eyes Future

Google celebrated its 15th birthday Thursday with a trip down memory lane, and an update to the search engine formula which helped spawn the tech giant.

The company took journalists on a tour of where it all started - Susan Wojcicki's garage in Menlo Park, California, where Larry Page and Sergey Brin began working on Google in 1998. Wojcicki is currently a Google vice president.

A Google+ page meanwhile included a photo album of the original home search page, and collected dozens of birthday wishes.

But Google, which has grown into one of the world's biggest companies, was not content to just look at the past. It announced an upgrade to its main search engine, with new ways to integrate its use across different devices.

Since 1998, the tech world has changed dramatically and Google said its

search engine has been constantly improved.

"The world has changed so much since then: billions of people have come online, the web has grown exponentially, and now you can ask any question on the powerful little device in your pocket," said Google Search chief Amit Singhal in a blog post.

"You can explore the world with the Knowledge Graph, ask questions aloud with voice search, and get info before you even need to ask with Google Now."

Singhal said the change includes "a simpler, more unified design on mobile devices."

"You'll also notice a new look and feel for Google Search and ads on your phones and tablets," he added.

"It's cleaner and simpler, optimized for touch, with results clustered on cards so you can focus on the answers you're looking for."

Danny Sullivan of the tech blog Search Engine Land said the upgrade of main search engine is based on a new algorithm with the code name "Hummingbird," which he said is "especially designed to handle complex queries."

#### 15% of U.S. Adults Still Don't Use The Internet

Considering just how much time we spend online every day, it's hard to fathom a life completely devoid of an Internet connection. Yet according to a recent poll by Pew Internet, 15% of American adults ages 18 and older do not use the internet or email. Pew went on to ask why these adults didn't get online, and only 19% of non-internet users cited the cost of a computer or an internet subscription as the primary cause. Most people, as many as 34%, said the Internet is just not relevant to their interests—they have better things to do. The second most popular reason was usability. 32% of non-users say that the Internet is complicated and frustrating, or that they just don't feel physically comfortable attempting to maneuver cyberspace.

#### Control-Alt-Delete? Gates Says Command Was a Mistake

It's a shortcut all Windows users know. A frozen program? Slow performance? The first move is, of course, holding down those three keys - Control-Alt-Delete. It's a three-finger move to get to the task manager or get to a log-in screen, and Microsoft founder Bill Gates now admits the rather clunky command was a mistake.

When asked who came up with the shortcut during an interview at Harvard University this week, Gates said "it was a mistake."

"We could have had a single button, but the guy who did the IBM keyboard design didn't want to give us our single button," Gates said. "We programmed at a low level. ... It was a mistake." The part in the interview was first spotted by Geekwire.

That IBM PC engineer was David Bradley. Bradley, who designed the computer in 1980, said in an older interview that "it was originally intended to be what we would now call an Easter Egg, just something we were just using in development - it wouldn't be available elsewhere."

That certainly wasn't the case. Introduced in 1981, the command still lives on in Windows, including Microsoft's current Windows 8 operating system.

According to a 2010 article in the Indianapolis Star, the original idea was to create a way to restart the computer. He chose those keys because he didn't want people to mistakenly hit the keys and on that original IBM keyboard the Delete key was on the other side and, thus, required two hands.

Bradley said he didn't think it would become a "cultural icon," and then taking a shot at Gates and Windows' all-too-well-known issues, he said, "I might have invented it, but I think Bill made it famous."

#### LA Students Breach School iPads' Security

It took just a week for nearly 300 students who got iPads from their Los Angeles high school to figure out how to alter the security settings so they could surf the Web and access social media sites.

The breach at Roosevelt High and two other LA schools has prompted Los Angeles Unified School District officials to halt a \$1 billion program aimed at putting the devices in the hands of every student in the nation's second-largest school system, the Los Angeles Times reported. The district also has banned home use of the iPads until further notice as officials look for ways to make sure students use the devices for school work only.

The actions come as school officials nationwide grapple with security measures for iPads and other devices as they introduce them to tech-savvy students.

"I'm guessing this is just a sample of what will likely occur on other campuses once this hits Twitter, YouTube or other social media sites explaining to our students how to breach or compromise the security of these devices," School District Police Chief Steven Zipperman wrote in a confidential memo to senior staff obtained by the Times. "I want to prevent a 'runaway train' scenario when we may have the ability to put a hold on the rollout."

Roosevelt was among the first schools to distribute iPads as part of the district rollout. Its students initially were allowed to take home the Apple tablets, and they learned they could easily delete their personal profile information, giving them greater access to the iPads' capabilities.

Westchester High and the Valley Academy of Arts and Sciences in Granada Hills also reported the problem, though in smaller numbers.

Roosevelt students began to tinker with the security software on the devices after "they took them home and they can't do anything with them," Alfredo Garcia, a senior at the school, told the Times.

Before long, students were on the Internet, sending tweets, socializing on Facebook and streaming music through Pandora, students told the newspaper.

The district said in a statement Wednesday that steps have been taken "to ensure it has 100 percent control over what is accessible" on the devices.

Potential precautions include permanently barring home use of the tablets and strengthening the security software that limits how the devices are used.

Zipperman suggested in the memo to senior staff that the district might want to delay distribution of the iPads.

When the technology breaches came to light Tuesday, Superintendent John Deasy "ordered a moratorium on allowing tablets to leave campus until the problem has been resolved," the district statement said.

### What Will The Internet Be in 2050?

A global computer-based communication network has fundamentally changed our social, cultural, and political landscape over the past 20 years. As an evolutionary anthropologist, I have to point out that there has been no previous communication revolution of this speed or intensity. Consequently, this communication tool gives us the power to completely restructure our entire existence, both on an individual and collective level.

As inescapably pervasive as the Internet's emergence has been, fewer scientists are studying it, than you would think. Even fewer scientists are attempting to situate its emergence within the context of our technological evolution, or understand its potential future development in the 21st century.

So I'll ask what will the Internet be in 2050?

Today, I can't help but notice that the Internet is getting more and more intelligent. When it first emerged it was passive and unorganized. Today, it is massively active, alerting you about opportunities that may interest you. It is also massively organized, with weighted hyperlinks, wikis, and powerful search engines.

Also, consider the obvious:

- 1) We keep giving the Internet more and more data every year
- 2) We keep using the Internet more and more every year
- 3) And finally, more and more of us are able to use the Internet every year

The end goal of some of these trends seem evident to me. We will eventually have all of our lives recorded in some way, shape, or form on the Internet. Some of this information may exist in mediums that don't currently exist today.

We will also eventually have our entire communication existence mediated in some way through the Internet. The devices that we use to access the Internet keep getting smaller, and more intimately accessible. Will they eventually just become a part of our bodies this century? After the wearables revolution, the internals revolution will probably not be far behind.

And clearly all humans will eventually be able to access the Internet, wherever they are. Just consider the Google Loom project. All 7 billion of us (and then 8 billion, and then 9 billion of us) all interacting seamlessly and intimately on the Internet in new digital worlds of our own making.

Sharing, commenting, liking, buying, selling, writing, tweeting, hash-tagging.

When you stop and think about this, it may start to become overwhelming. The 21st century is clearly going to be a very different one from the 20th century. And one could make the argument that the 21st century will be so different primarily because of the emergence and full establishment of the Internet as a communication medium binding human thought together.

A communication revolution like this offers us fantastic opportunities. First it allows us to build a global culture. Over evolutionary time this was obviously not possible even though our species had colonized all of the unfrozen continents ~20,000 years ago. With instant global communication, the formation of a truly global culture is in reach this century.

Second, the Internet allows us an opportunity to make the borders of the 19th and 20th century obsolete. Why should the national structure of our planet remain static with a global communication network? It doesn't have to, and it probably won't. The longer humans are engaging deeply with the Internet, and the more integrated the Internet becomes within all human-life, the less likely we are to relate at all to the nation state. The Blue Marble image made us all think about becoming citizens of the planet. The Internet makes this a practical reality.

But can we know the Internet's deeper future? Some of the trends I mentioned above are likely to manifest in the 2020s, or the 2030s. What will the Internet be in 2050? And if our knowledge of the future Internet was well developed, could it help us make more intelligent decisions about our careers and our personal lives today? And from an intellectual level, can we situate this communication revolution within the context of previous communication revolutions?

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